

Message Text

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C O N F I D E N T I A L LUSAKA 2241

E.O. 11652: GDS
TAGS: PGOV PINT EINV ZA
SUBJ: GOVERNMENT ECONOMIST COMMENTS ON PARTY/GOVERNMENT CHANGES

REF: LUSAKA 2201

1. SUMMARY: ACCORDING TO DR. DAVID SIMONDA, PERMANENT SECRETARY FOR THE NATIONAL COMMISSION FOR DEVELOPMENT PLANNING, THE RECENT CHANGES IN PARTY AND GOVERNMENT HIERARCHY (REFTEL) REMOVED "SEVERAL OBSTACLES." HE SPECIFICALLY MENTIONED THAT THE NEW PARTY SECRETARY GENERAL AND PRIME MINISTER WOULD "BE HELPFUL." HE ANTICIPATED NO DIFFICULTY NOW OF GETTING PARTY AND GOVERNMENT APPROVAL OF THE MUCH DELAYED THIRD NATIONAL DEVELOPMENT PLAN DRAFTED BY THE COMMISSION. THE PLAN IS SCHEDULED FOR IMPLEMENTATION BEGINNING JANUARY 1979. END SUMMARY.

2. SIMONDA, IN A MEETING WITH EMBASSY ECON OFFICER AND NEW ZAMBIAN DESK OFFICER DICK HOOVER, SAID THAT WHILE PUBLIC AND PRIVATE DEBATE OVER SOCIALIST/HUMANIST VERSUS PRIVATE ENTERPRISE/ CAPITALIST DEVELOPMENT WOULD CONTINUE, WHAT THE POLITICIANS SAY AND WHAT IS ACTUALLY HAPPENING MIGHT BE SOMEWHAT DIFFERENT. HE SAID THE GOVERNMENT WOULD NEVER ANNOUNCE AN "ABOUT FACE" ON ITS CURRENT PHILOSOPHY BUT THAT HOW HIGH A PRIORITY THE GOVERNMENT GIVES THAT PHILOSOPHY WOULD BE THE SIGNIFICANT FACTOR.
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(EX PARTY SECRETARY GENERAL GREY ZULU AND OTHER MEMBERS OF THE CENTRAL COMMITTEE HAVE LONG BEEN CONSIDERED HARD LINE PARTY IDEOLOGUES. WHAT SIMONDA IS SUGGESTING IS THAT THE NEW LINEUP WILL BE MORE PRAGMATIC IN THEIR APPROACH TO ECONOMIC DEVELOPMENT, ESPECIALLY WITH REGARD TO PRIVATE PARTICIPATION, BUT THAT THE "DEBATE" WILL CONTINUE FOR PUBLIC CONSUMPTION.)

3. ADDRESSING THE THIRD NATIONAL DEVELOPMENT PLAN, SIMONDA REVEALED THAT 35 PERCENT TO 40 PERCENT OF TOTAL CAPITAL RESOURCES AVAILABLE DURING THE 1979-1984 PERIOD HAVE BEEN ALLOCATED TO RURAL DEVELOPMENT. THIS COMPARES WITH 7 PERCENT AND 12 PERCENT FOR THE SAME SECTOR IN THE FIRST AND SECOND PLANS. INVESTMENT IN NONPRODUCTIVE SERVICES, TRUNK ROADS, EDUCATION, AND MEDICAL SERVICES WOULD BE FROZEN AT MINIMUM MAINTENANCE LEVELS EXCEPT FOR NEW SERVICES IN RURAL AREAS ONLY. THE OBJECT IS TO PROVIDE BASIC EDUCATIONAL, HEALTH AND FEEDER ROAD SERVICES TO RURAL VILLAGES TO STEM THE FLOW OF URBANIZATION AND ENCOURAGE LOCAL AGRICULTURAL PRODUCTION. SIMONDA VIEWED THESE FACILITIES AS ESSENTIAL IF THE POPULATION IS TO REACT TO THE GOVERNMENT PLEA FOR PEOPLE TO "RETURN TO THE LAND."

4. COMMENT: SIMONDA HAS ALWAYS BEEN VERY OUTSPOKEN IN HIS REMARKS ON THE PROBLEMS AND CURES FOR ZAMBIA'S ECONOMY. HE PROFESSES GREAT LOYALTY TO PRESIDENT KAUNDA BLAMING MOST OF THE BAD DECISIONS, MISMANAGEMENT, AND POLICY ERRORS ON POOR ADVICE FROM OTHER GOVERNMENT OFFICIALS (INCLUDING ZULU). SIMONDA AND HIS MINISTER, JOSHUA LUMINA, ARE NOT HIGHLY VISIBLE PERSONALITIES BUT THE COMMISSION, ACTING UNDER THE PRIME MINISTER'S OFFICE, HAS A KEY ROLE IN NATIONAL DEVELOPMENT AND DOES, IN FACT, WRITE THE PLAN. SIMONDA APPARENTLY CROSSED SWORDS WITH THE PARTY A YEAR AGO WHEN HE SUBMITTED A DRAFT OUTLINE OF THE PLAN WHICH RAISED A FUROR IN THE CENTRAL

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COMMITTEE. IT SEEMS HIS DRAFT WAS TOO FREE ENTERPRISE ORIENTED FOR THE POLITICOS. SIMONDA NOW CLAIMS THE PARTY DID NOT RELIZE HIS WAS A FIRST DRAFT ONLY AND THIS IS WHAT CAUSED THE PROBLEM. IT IS POSSIBLE THAT SIMONDA DRAFTED THE PLAN WITHOUT GUIDANCE WITH HOPES HE COULD SIMPLY GET APPROVAL FOR HIS PERSONAL IDEAS. WHATEVER THE CASE, HE THREW THE BALL INTO ANOTHER COURT AND OBVIOUSLY PRECIPITATED AN INTERNAL DEBATE ON THE THRUST OF THE PLAN. IF HIS COMMENTS ABOVE ARE ACCURATE, THE CHANGES IN HIERARCHY MAY WELL INDICATE THE VICTORS IN THAT DEBATE.

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